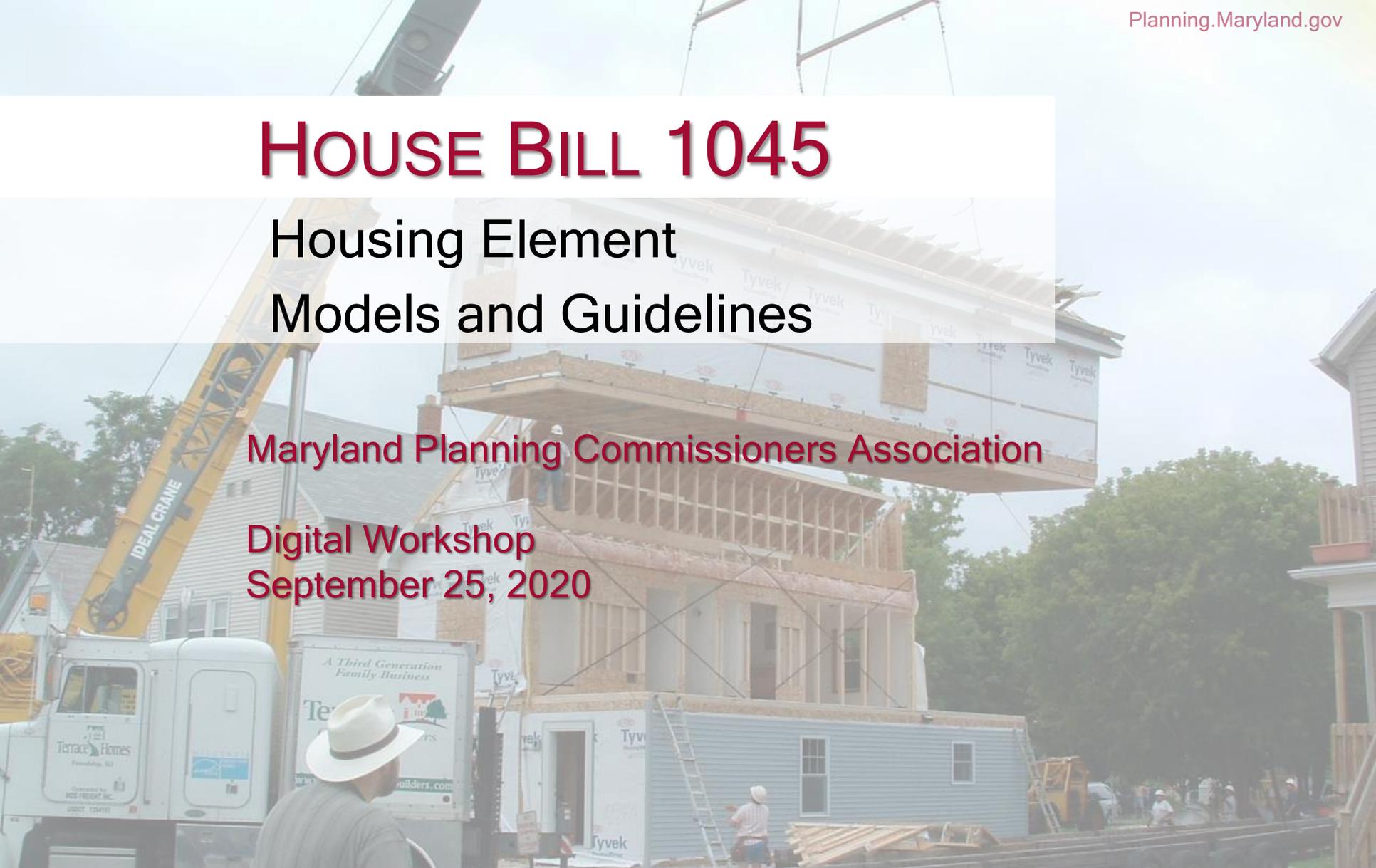


HOUSE BILL 1045

Housing Element Models and Guidelines

Maryland Planning Commissioners Association

Digital Workshop
September 25, 2020



HB 1045 REQUIREMENTS

A housing element shall address the need for affordable housing and will include:

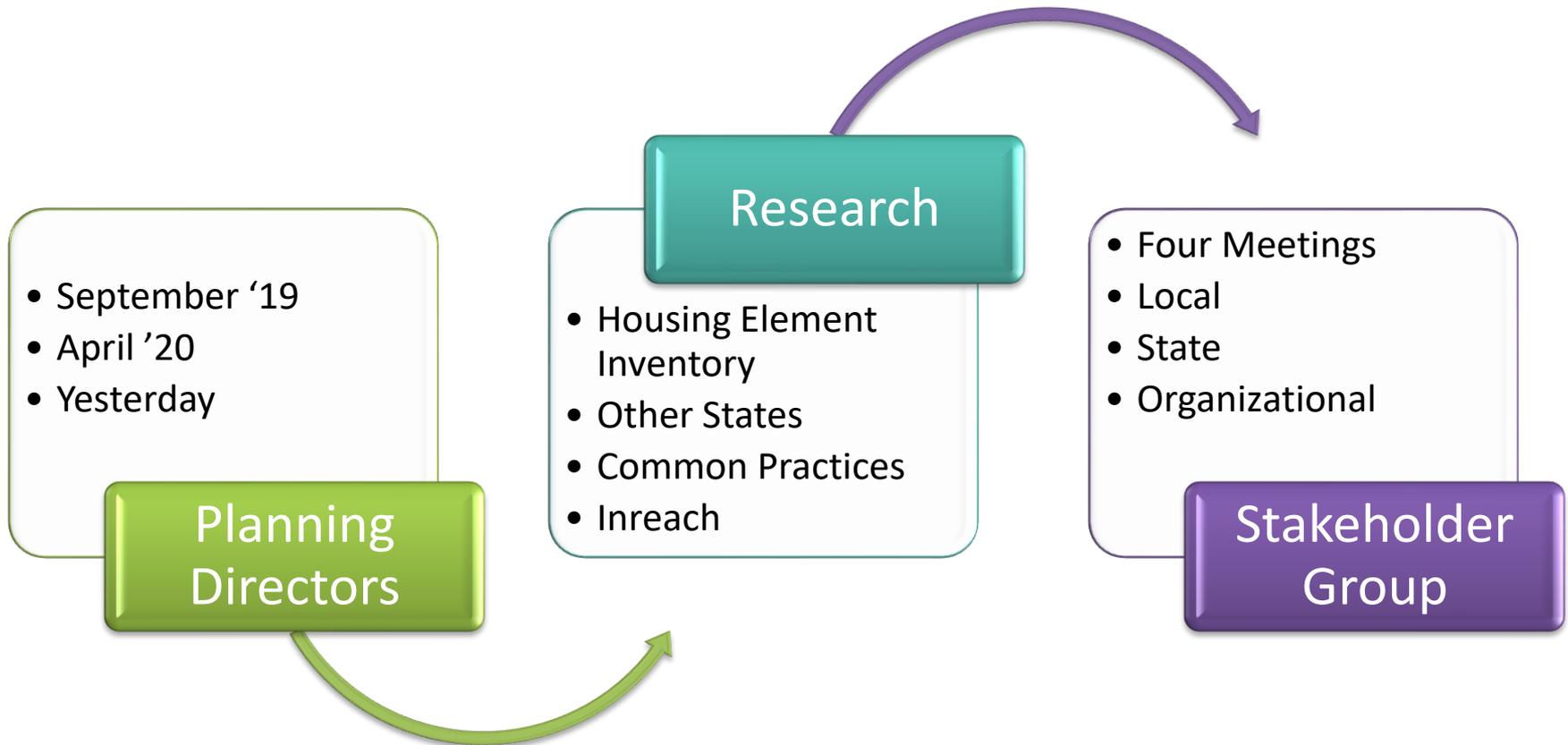
1. Workforce Housing
2. Low-Income Housing

A housing element **MAY** include:

1. Goals
2. Objectives
3. Policies
4. Plans
5. Standards



MODELS AND GUIDELINES DEVELOPMENT PROCESS



STAKEHOLDER INPUT

Visioning, education, proactivity, and ongoing dialogue

Affordable housing benefits communities and households in interconnected ways

Partnerships and allies (health care facilities, employers, churches, CDCs)

Transparency and marketing (processes and incentives)

Don't reinvent the wheel. Use and build upon existing resources

Zoning is key (greater density, by-right development, manufactured housing)

Incremental addition of affordable units (inclusionary zoning and ADUs) "Quiet Density"

Incentives should provide extra density

Preservation/maintenance of existing units just as important as building new ones

High costs and barriers to development (impact fees, water and sewer availability, delayed/unclear local processes, APFOs)

Helpful analyses (gap, housing market, income levels, needs assessment, commuting)

Local examples of best practices!



MARYLAND HOUSING NEEDS ASSESSMENT

PHASE 1

Develop a baseline understanding of existing and future housing needs

OCT 2019 – MAR 2020

PHASE 2

Evaluate past performance of state and local resources and prioritize needs by issue area and geography

FEB 2020 – MAY 2020

PHASE 3

Communicate actionable recommendations in the Housing Needs Assessment and 10-Year Strategic Plan

MAY 2020 – AUG 2020



MARYLAND HOUSING NEEDS ASSESSMENT

+ 97,000 extremely and very low-income HH in next 10 years

Median rent rose by 34% between 2000 and 2017, while HH income rose 1%

Home values increased by 46% between 2000 and 2017

By 2030, nearly 77% of new HH will have at least one person over age 65

MD could lose more than 10,000 income-restricted units in next decade

Home loan denial rates higher among HH of color and women

2015-2019: Pre-foreclosure filing increased by 42%

47% of MD renters pay 30% or more on housing costs

Only 14% of MD's federally subsidized rental units within one-mile of a job center



MODELS AND GUIDELINES



- Introduction
- Housing Planning
- Self Assessments
- Housing Data
- Housing Practices
- Affordable Housing Resources

Models & Guidelines: The Housing Element

Introduction

The Maryland Department of Planning (Planning) is the primary state agency responsible for reviewing comprehensive plans, providing technical assistance to complete them, and creating Models and Guidelines (M&G) to implement them. In response to Senate Bill (SB) 55 (2019), Planning is the central repository for all comprehensive plans and amendments and they are compiled on our Comprehensive Plans webpage. In this role, Planning collaborates with other state agencies and local staff at every step of the process — from community outreach efforts to plan implementation. As planning statutes change in Maryland, we seek to respond with expertise, resources, and guidance for communities.



<https://planning.maryland.gov/Pages/OurWork/housing-element-mg/housing-element-home.aspx>



HOUSING PLANNING

- HB 1045 Description and Comprehensive Planning in Maryland
- Rationale: Importance of Planning for Housing



MODELS AND GUIDELINES (SELF-ASSESSMENTS)

- Vision
- Analysis and Policy
- Implementation and Regulation



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HOUSING DATA DASHBOARD

Maryland HB 1045 Geography ▾ Reports ▾ Links ▾ About ▾

Geography: County Current Selection: Anne Arundel



County Area Median Income

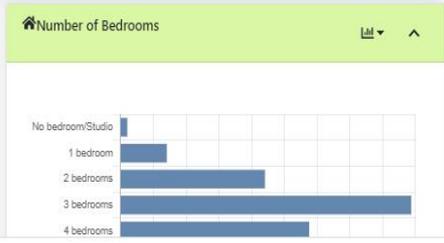
2020 AMI for Anne Arundel [Baltimore-Columbia-Towson, MD]: \$104,000

HB 1045 Household Income Levels/Ranges

Workforce Ownership Range (60% - 120% AMI) :	\$62,400 - \$124,800
Workforce Rental Range (50% - 120% AMI) :	\$52,000 - \$124,800
Low Income (< 60% AMI) :	\$62,400

Affordable Homeowner/Rental Monthly Payments (Based on 30% of Household Income)

Workforce Ownership Range :	\$1,508 - \$3,016
Workforce Rental Range :	\$1,257 - \$3,016
Low Income :	\$1,508



HOUSING PRACTICES

- Model Housing Element Development Process
 - Data Analysis
 - Dashboard
 - Other Sources
 - Local
 - Existing Programs
 - Example Goals, Objectives, and Strategies
- Common Practices



COMMON PRACTICES

Inclusionary Zoning

Multifamily and Mixed-Use Development - A common practice is to increase the density over the base density to incentivize a percentage of the units as affordable units.



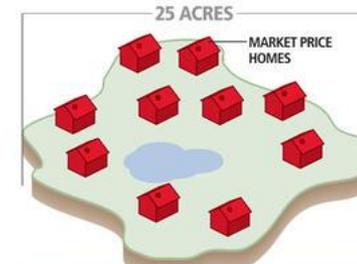
The Axiom at Cabin Branch – 272 units (68 MPDU)

Running the numbers

A developer in Collier County can get bonus densities to build more houses depending on how many of them he agrees to sell to people who earn various percentages of the county's median income. One example:

NO BONUS

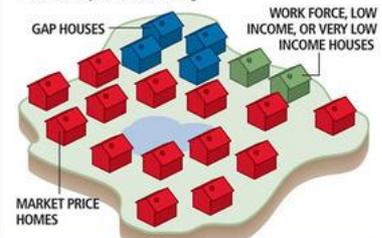
At a base density of four houses per acre, a developer with 25 acres can build 100 homes and sell them at market prices.



BONUS

The same developer could build 200 homes—140 of which he can sell at market prices—if:

- 1) He sets aside 20 percent of them, or 40 homes, for gap housing
- 2) He sets aside 10 percent of them, or 20 homes, for work force, low income, or very low income housing.



KEY:

- = 10 market price houses
- = 10 gap houses (sold to people making between 80 and 150 percent of the median income, or between \$52,880 and \$99,150 for a family of four)
- = 10 very low income, low income, or work force houses (sold to people making less than 80 percent of the median income, or less than \$52,880 for a family of four)

Source: Daily News research

Chad Yoder/Staff



COMMON PRACTICES

Financial Incentives

- Housing trust funds
- Tax credit Investing
- Modified APFO for affordable housing
- Tax generated revenue specified for affordable housing
- Fee-in-lieu of building below market rate housing
- Waive application fees
- Involve publicly held lands
- Brownfield re-development funding



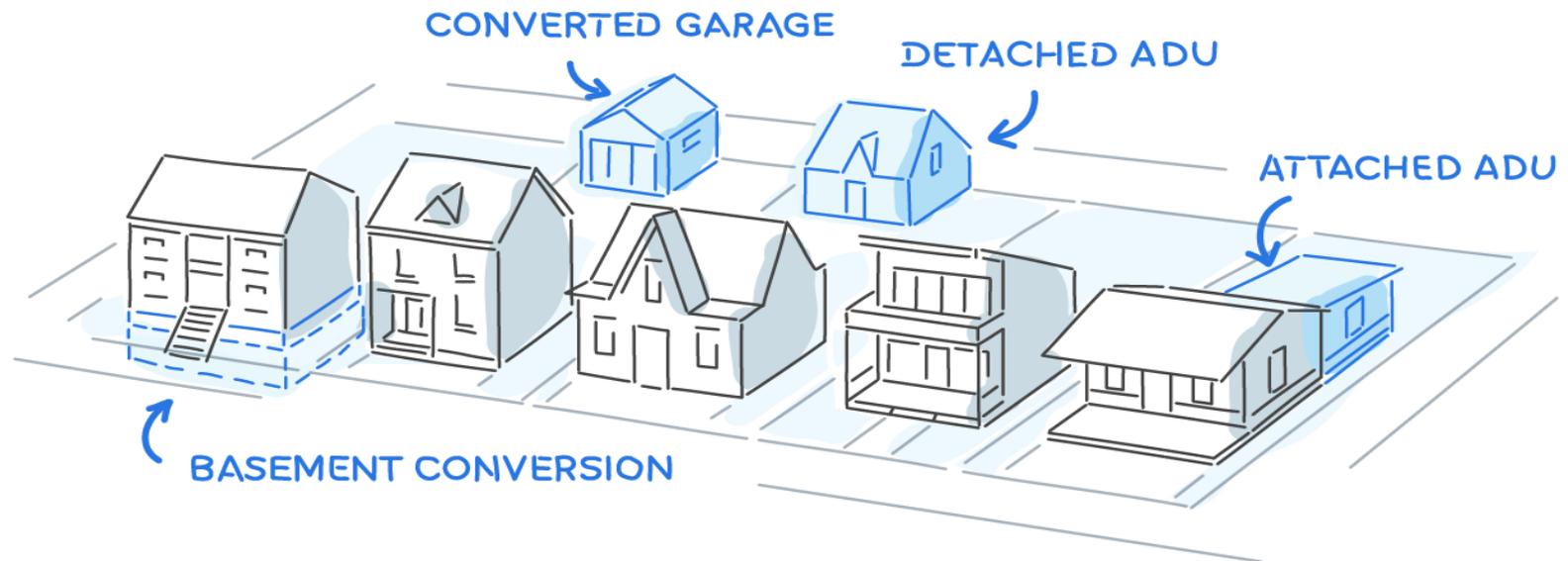
COMMON PRACTICES

Creating Partnerships between Government/Non-profits/Developers



COMMON PRACTICES

Accessory Dwelling Units in single-family neighborhoods creating two dwelling units, by right in certain zones.



COMMON PRACTICES

Increase Density for Affordable units in Targeted Areas

Providing a variety of unit types as low-income, workforce and market rate provides for integration into a community. Note: No homeowner's open space is proposed in the example below to keep HOA fees to a minimum.

VISUALIZING DENSITY: 8 UPA

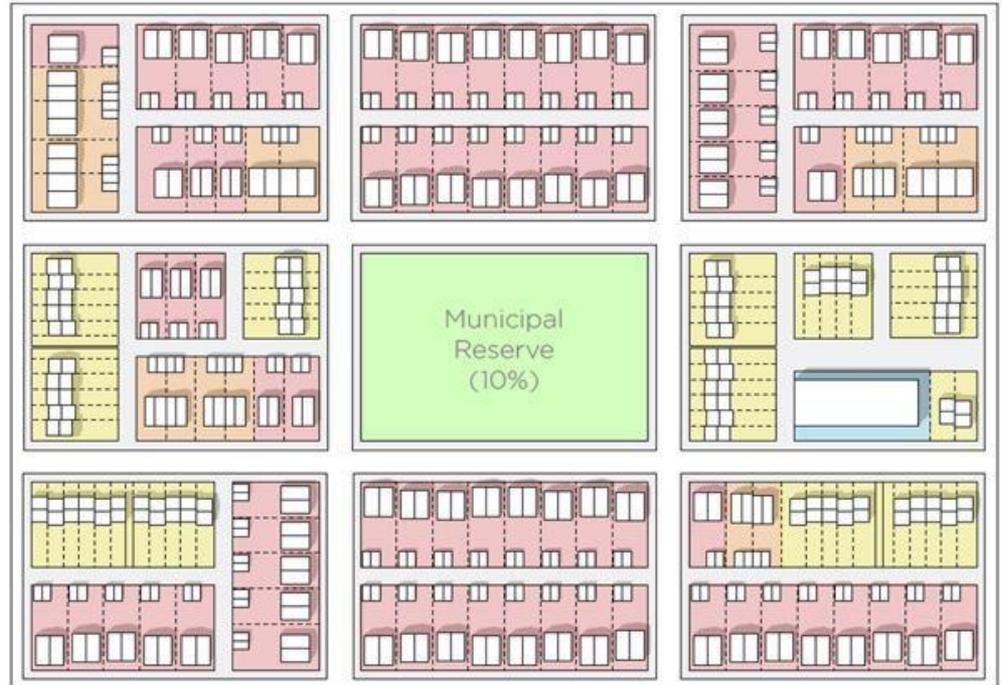
UNIT DISTRIBUTION

Single-family:	76
Duplex:	16
Townhome:	58
Apartment:	50
Secondary Suites:	15
TOTAL:	215

ASSUMPTIONS

Lot widths: 20-45'
 Road Right-of-Way: 16 m
 Municipal Reserve: 10%

Municipal Reserve: 10%



PRESERVING EXISTING AFFORDABLE HOUSING STOCK



- Code enforcement
- Façade improvements
- Rental assistance - HUD
- Energy efficiency programs
- Tracking income restricted units
- Property maintenance assistance to homeowners
- Homeownership assistance and education



AFFORDABLE HOUSING RESOURCES

Housing Resource Table

Resource Type

Financing Assistance ^

- Financing Assistance
- Grants
- Loans
- Other
- Tax Credits/Incentives
- Technical Assistance

Category

All v

Description	Agency	Resource Type	Category	Regulation
the Office of Recapitalization is a mortgage program with a y.	RECAP	Assistance		
opportunities for lenders to enter ing agreements with HUD to d service FHA loans for small perties.	HUD	Financing Assistance	Federal	
Section 811 Project Rental Assistance (PRA) Program provides capital advances to private nonprofit sponsors and for-profit limited partnerships to expand the supply of housing integrated with supportive services and promote community integration for low- and extremely-low income persons with disabilities.	HUD	Financing Assistance	Federal	
SEED Community Development Anchor Institution Program The Seed Community Development Anchor Institution Fund provides competitive grants and loans to anchor institutions for community development projects in blighted areas of the state.	Maryland Department of Housing and Community Development (DHCD)	Financing Assistance	State	



NEXT STEPS (PHASING)

Phase 2

Data Additions

Foreclosures

Days on Market

Housing Needs
Assessment

Compare Function

Local
Examples/Best
Practices

Address
Feedback



GROUP RESPONSE



Provide an example of an affordable housing implementation best practice

Various senior housing clusters in Seattle WA

Modular Housing in Carroll County, MD

A new development required the developers to put in additional affordable townhouse units in Springfield Township in York County, PA.

Affordable Tiny Home development in Carroll County that promotes outdoor living with walking trails, community activities, etc.

The City of Gaithersburg has a consistent focus on ensuring that any new development has a clearly defined Affordable Housing Component. Now it is 15% of each new development.

HUD Choice Neighborhoods planning and implementation model (Baltimore city-Habc)

The City of Cumberland, MD (I use to work for Cumberland Housing) created a blight action committee to review and address empty or abandoned properties within the City.

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ADDITIONAL FEEDBACK OR QUESTIONS

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